

Message Text

PAGE 01 STATE 133675

66

ORIGIN EA-06

INFO OCT-01 SS-14 ISO-00 SSO-00 DODE-00 L-01 NSCE-00 NSC-05

INR-05 INRE-00 SP-02 /034 R

DRAFTED BY EA/LC:MHENDERSON:AID/EA/LAOS:MHUNTI

APPROVED BY EA:RHMILLER

EA/LC:LMRIVES

AID/EA:AZGARDINER (SUBSTANCE)

----- 097044

O 082054Z JUN 75 ZFF4

FM SECSTATE WASHDC

TO AMEMBASSY VIENTIANE NIACT IMMEDIATE

INFO AMEMBASSY BANGKOK IMMEDIATE

AMEMBASSY MANILA IMMEDIATE

CINCPAC IMMEDIATE

C O N F I D E N T I A L STATE 133675

LIMDIS

E.O. 11652:GDS

TAGS: PFOR, US, LA

SUBJECT: NOTE ON PROCEDURE FOR TURN-OVER OF USAID ASSETS
TO PGNU

REF: VIENTIANE 4088

MANILA FOR ASSISTANT SECRETARY HABIB

CINCPAC FOR POLAD

1. POL COUNSELOR TEARE SHOULD DELIVER FOLLOWING NOTE AT HIS
JUNE 9 MEETING AT MFA:

QUOTE THE EMBASSY OF THE UNITED STATES OF AMERICA PRESENTS
ITS COMPLIMENTS TO THE MINISTRY OF FOREIGN AFFAIRS OF THE
CONFIDENTIAL

PAGE 02 STATE 133675

PROVISIONAL GOVERNMENT OF NATIONAL UNION OF LAOS AND, IN
LIGHT OF NUMEROUS POINTS OF CONTENTION WHICH HAVE ARISEN
SURROUNDING THE DISSOLUTION OF THE MISSION TO LAOS OF THE
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT, AND

UNDER INSTRUCTIONS FROM THE DEPARTMENT OF STATE, HAS THE HONOR TO BRING TO THE MINISTRY'S ATTENTION THE FOLLOWING CLARIFICATIONS AND PRINCIPLES WHOSE APPLICATION, THE EMBASSY BELIEVES, WILL HASTEN THAT DISSOLUTION UNDER THE PROVISIONS OF THE AGREEMENT CONCLUDED ON MAY 27, 1975 BETWEEN THE PROVISIONAL GOVERNMENT OF NATIONAL UNION AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

QUOTE (1) THE UNITED STATES BELIEVES THAT THE TERMINATION OF THE USAID MISSION AND THE ACCOMPANYING TRANSFERS OF APPROPRIATE USAID PROPERTY, MATERIALS AND EQUIPMENT UNDER THE PROVISIONS OF THE MAY 27 AGREEMENT SHOULD BE CARRIED OUT IN AN ORDERLY AND EXPEDITIOUS MANNER WITH THE FULL COOPERATION OF THE PROVISIONAL GOVERNMENT OF NATIONAL UNION. SUCH COOPERATION WOULD BE IN KEEPING WITH OUR LONGSTANDING FRIENDLY RELATIONS WITH LAOS AND WITH OUR EXPERIENCE WITH THE TERMINATION AND TRANSFER OF OTHER ECONOMIC ASSISTANCE PROGRAMS WHICH HAVE ACHIEVED THEIR DEVELOPMENT OBJECTIVES IN COUNTRIES THROUGHOUT THE WORLD. THE EXPERIENCE OF NEGOTIATIONS CONCERNING THIS TERMINATION AND THESE TRANSFERS TO DATE, HOWEVER, HAS RAISED QUESTIONS AS TO WHETHER THE ENTIRE PROCESS CAN IN FACT BE ACCOMPLISHED IN AN ORDERLY AND EXPEDITIOUS MANNER. IN ORDER TO CLARIFY THE SITUATION THE EMBASSY WISHES TO EMPHASIZE A BASIC FACT REGARDING THE ORIGIN AND DISPOSITION OF PROPERTY, MATERIALS AND EQUIPMENT PURCHASED BY THE UNITED STATES GOVERNMENT IN CONNECTION WITH ITS ECONOMIC ASSISTANCE PROGRAMS. UNDER THE TERMS OF THE GOVERNING LEGISLATION PASSED BY THE UNITED STATES CONGRESS FUNDS FOR ECONOMIC ASSISTANCE PROGRAMS ARE OF TWO GENERAL TYPES:

QUOTE (A) THOSE ALLOCATED SPECIFICALLY FOR ASSISTANCE AND USED FOR THE PURCHASE OF PROPERTY, MATERIALS AND EQUIPMENT AS PROVIDED FOR IN PROJECT AGREEMENTS THAT HAVE BEEN NEGOTIATED WITH THE GOVERNMENT OF THE RECIPIENT COUNTRY;

CONFIDENTIAL

PAGE 03 STATE 133675

QUOTE (B) ALL OTHER FUNDS, WHICH ARE USED FOR THE ADMINISTRATIVE SUPPORT OF AN ECONOMIC ASSISTANCE MISSION, SO AS TO PROVIDE THAT MISSION WITH VEHICLES, OFFICE AND RESIDENTIAL FURNITURE AND EQUIPMENT, AND SO FORTH.

QUOTE IN LIGHT OF THESE CONSIDERATIONS AND SPECIFICALLY IN LIGHT OF THE DISTINCTION BETWEEN THE TWO TYPES OF FUNDS SET FORTH IN THE PRECEDING PARAGRAPH, THERE ARE SEVERAL PRINCIPLES WHICH, FROM THE STANDPOINT OF THE UNITED STATES GOVERNMENT, MUST APPLY IN THE CURRENT NEGOTIATIONS WITH THE PROVISIONAL GOVERNMENT OF NATIONAL UNION REGARDING THE ORDERLY TERMINATION OF THE USAID MISSION TO LAOS AND THE TRANSFER OF ITS PROPERTY, MATERIALS AND EQUIPMENT, IN

ACCORDANCE WITH THE TERMS OF THE AGREEMENT SIGNED ON MAY 27, 1975, BY HIS EXCELLENCY THE MINISTER OF ECONOMY AND PLAN AND THE AMERICAN CHARGE D'AFFAIRES, A.I.:

QUOTE (A) THAT AGREEMENT MAKES CLEAR THAT THE PROPERTY, MATERIALS AND EQUIPMENT TO BE TURNED OVER TO THE PROVISIONAL GOVERNMENT OF NATIONAL UNION ARE THOSE WHICH WERE PURCHASED UNDER PROJECT AGREEMENTS, AND -- AS WITH ALL OTHER PROJECT-FUNDED ASSISTANCE -- THE UNITED STATES GOVERNMENT MUST RETAIN EXISTING RIGHTS OF AUDIT AND INSPECTION TO THE EXTENT REASONABLY REQUIRED TO ASSURE THAT SUCH MATERIALS AND EQUIPMENT ARE USED FOR THE INTENDED PROJECT PURPOSES. THIS REQUIREMENT NEED NOT BE BURDENSOME AND COULD BE FULFILLED AFTER THE FORMAL TERMINATION OF THE USAID MISSION TO LAOS.

QUOTE (B) WITH RESPECT TO ALL OTHER USAID PROPERTY, WHICH IS ADMINISTRATIVE IN NATURE AND WHICH IS NOT COVERED BY PROJECT AGREEMENTS, THE UNITED STATES GOVERNMENT MUST RETAIN THE RIGHT TO DETERMINE WHETHER SUCH PROPERTY IS USABLE BY THE UNITED STATES GOVERNMENT IN LAOS OR ELSEWHERE IN THE WORLD. DURING THE COURSE OF NEGOTIATIONS BETWEEN THE TWO GOVERNMENTS, IT HAS BECOME ABUNDANTLY CLEAR THAT NEGOTIATORS FOR THE PROVISIONAL GOVERNMENT OF NATIONAL UNION ERRONEOUSLY EXPECT THAT ALL ADMINISTRATIVE PROPERTY OF THE USAID MISSION -- AS WELL AS THAT FINANCED THROUGH PROJECT AGREEMENTS AND THUS TO BE TURNED OVER TO THE PROVISIONAL GOVERNMENT OF NATIONAL UNION -- WILL AUTO-CONFIDENTIAL

PAGE 04 STATE 133675

MATICALLY REVERT TO THE PROVISIONAL GOVERNMENT OF NATIONAL UNION. THIS WILL BE THE CASE ONLY TO THE EXTENT THAT THE UNITED STATES GOVERNMENT DETERMINES THAT IT HAS NO FURTHER USE FOR INDIVIDUAL ITEMS OF EQUIPMENT AND MATERIEL AND DECIDES TO TRANSFER SUCH ITEMS TO THE PROVISIONAL GOVERNMENT OF NATIONAL UNION.

QUOTE (C) THE UNITED STATES GOVERNMENT MUST INSIST THAT THE PROVISIONAL GOVERNMENT OF NATIONAL UNION ASSUME IN PRINCIPLE THE RESPONSIBILITY TO COMPENSATE THE UNITED STATES GOVERNMENT FOR ANY LOSSES OF, OR DAMAGES WHICH HAVE ALREADY BEEN OR MAY IN THE FUTURE BE INFLICTED ON, OFFICIAL PROPERTY OF THE UNITED STATES OR PERSONAL PROPERTY OF UNITED STATES GOVERNMENT EMPLOYEES DUE TO INADEQUATE PROTECTION BY THE PROVISIONAL GOVERNMENT OF NATIONAL UNION. IT IS ANTICIPATED THAT SUCH COMPENSATION, IF REQUIRED, WILL INCLUDE REIMBURSEMENT FOR PAYMENTS WHICH THE UNITED STATES GOVERNMENT WILL BE OBLIGED TO MAKE TO ITS EMPLOYEES FORCED TO ABANDON THEIR PERSONAL PROPERTY IN LAOS. IT WILL OBVIOUSLY REQUIRE SOME TIME BEFORE THE UNITED STATES GOVERNMENT WILL BE ABLE TO ASCERTAIN THE TOTAL AMOUNT OF SUCH DAMAGES OR LOSSES.

QUOTE THE EMBASSY HOPES THAT THE NEGOTIATIONS CONCERNING THE TERMINATION OF THE USAID MISSION TO LAOS AND THE TRANSFER OF APPROPRIATE USAID PROPERTY, MATERIALS AND EQUIPMENT TO THE PROVISIONAL GOVERNMENT OF NATIONAL UNION CAN PROCEED ON AN ORDERLY AND MORE EXPEDITIOUS BASIS. QUOTE THE EMBASSY OF THE UNITED STATES OF AMERICA TAKES THIS OPPORTUNITY TO RENEW TO THE MINISTRY OF FOREIGN AFFAIRS THE ASSURANCES OF ITS HIGH CONSIDERATION. UNQUOTE

2. TEARE SHOULD INFORM THE MFA ORALLY THAT:

(A) THE CLIMATE IN WHICH THE MEETINGS BETWEEN THE REPRESENTATIVES OF THE EMBASSY AND THE PGNU PROCEED SHOULD BE ONE OF FULL COOPERATION IN ORDER TO HASTEN THE CARRYING OUT OF THE PROVISIONS OF THE MAY 27 AGREEMENT. THIS WOULD BE TO THE MUTUAL BENEFIT OF BOTH GOVERNMENTS. THE ATMOSPHERE SURROUNDING OUR NEGOTIATIONS, HOWEVER, HAVE NOT ALWAYS, IN OUR OPINION, DEMONSTRATED A SPIRIT OF COOPERATION. CONFIDENTIAL

PAGE 05 STATE 133675

TION TO THE DEGREE WE WOULD PREFER. FOR EXAMPLE, THE QUESTION OF SEVERANCE BONUSES WHICH WE PAID TO OUR USAID EMPLOYEES UNDER DURESS WAS DEALT WITH BY THE PGNU IN A LESS THAN COOPERATIVE MANNER;

(B) WE HAVE NOW THE OPPORTUNITY TO CREATE A CLIMATE OF IMPROVED TRUST THAT WOULD ENABLE US TO GO FORWARD WITH THESE NEGOTIATIONS IN SUCH A WAY AS TO ENHANCE THE FUTURE RELATIONS BETWEEN OUR TWO COUNTRIES.

3. WE CONFIRM THAT THE MISSION HAS AUTHORITY TO PROCEED IN TRANSFER OF ADMINISTRATIVELY FUNDED BUILDINGS PER PARA 3 OF COMMENT SECTION OF REFTEL UPON DETERMINATION SUCH BUILDINGS ARE NO LONGER REQUIRED FOR USG USE. HOWEVER, IN CONJUNCTION WITH THESE TRANSFERS, RIGHT OF USG MUST BE RESERVED OVER DISPOSITION OF MOVEABLE ASSETS IF YOU DETERMINE THEY ARE NEEDED ELSEWHERE AS WELL AS RIGHT OF USG TO COMPENSATION ON BEHALF OF ITS EMPLOYEES FOR LOSS OF OR DAMAGES TO PERSONAL PROPERTY.

KISSINGER

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic DecapTIONing: Z
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, CLOSURE OF OFFICES, DIPLOMATIC NOTES, SURPLUS PROPERTY, PERSONNEL COMPENSATION
Control Number: n/a
Copy: SINGLE
Draft Date: 08 JUN 1975
DecapTION Date: 28 MAY 2004
DecapTION Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE133675
Document Source: ADS
Document Unique ID: 00
Drafter: EA/LC:MHENDERSON:AID/EA/LAOS:MHUNTI
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: D750200-0247
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197506100/baaaambn.tel
Line Count: 209
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 18 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 JUL 2003 by CunninFX>; APPROVED <19 NOV 2003 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: PFOR, ABLD, EAID, AFSP, US, LA, AID
To: VIENTIANE NIACT INFO BANGKOK
MANILA
CINCPAC
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006